

# Irby/Finance Committee Meeting

## Monday, April 13, 2015

The Irby/Finance Committee met on April 13, 2015 at 10:30 AM at the Old U.S. Mint.

**Members present:** Robert A. Barnett; Michael M. Davis; Rosemary Upshaw Ewing; Kevin Kelly; Lawrence N. Powell, Ph.D.; and Diane K. Zink

**Staff present:** Yvette Cuccia, Yvonne Mack, Mark Tullios, Celestine Washington and Robert E. Wheat

**Also in attendance:** Randy Davis (DCRT, Deputy Secretary); Julia George Moore (DCRT, Counsel)

A quorum was present.

### 1. Call to Order

Mr. R. Barnett called the meeting to order at 11:00 AM. (The meeting began late because of a sub-committee meeting to discuss the commercial lease modifications.)

### 2. Motion to Adopt the Agenda

Motion to Adopt the Agenda MOVED by Ms. Zink, seconded by Dr. Powell. There were no comments from the public. **Unanimously approved.**

### 3. Approval of minutes

The minutes from the March 9, 2015 meeting were distributed in advance. Ms. Zink MOVED, seconded by Dr. Powell to approve the March 9, 2015 Irby/Finance Committee minutes. There was no public comment. **Unanimously approved.**

### 4. Update on 519 St. Ann Street, 3<sup>rd</sup> floor

Ms. Washington said the prospective tenant is James (Jim) Brown, who was next on the Lower Pontalba list after several others ahead of him had declined to rent. A credit check was run on Mr. Brown. No issues were noted. Mr. Barnett asked if a public records check was run and Ms. Washington said just the credit records. Mr. M. Davis asked if we have ever run a criminal record check. Mr. Wheat said we would have to create a new policy and document if we were going to do that, as well as alerting the prospective tenant in advance of this new procedure. Mr. R. Davis said the procedure is that there is a waiting list, and the next interested person then has a credit check run on them. Mr. Brown toured the apartment and agreed to pay the proposed rent, which is \$2,755 per month plus a \$270 common area maintenance fee (CAM). In addition, Mr. Brown would like to remove the existing carpet at his sole expense and put down flooring in addition to making upgrades to his kitchen counter top. Mr. Kelly thinks Mr. Brown should be made aware that rents may increase in 2016 and we want him to be aware of the fact that any upgrades made at his expense will not be taken into consideration if rents are increased. Regarding the type of renovations, the Committee would like to make sure they are in line with the historical integrity of the Pontalba building. The members were informed that Maintenance Superintendent Mr. Levy always reviews

the proposed renovations in consultation with Mr. Wheat to ensure plans are in line with the historical integrity of the building. Ms. Zink MOVED, seconded by Ms. Ewing, to approve Mr. Jim Brown as the new tenant for 519 St. Ann Street, 3<sup>rd</sup> floor at a rate of \$2,755 per month plus the current CAM of \$270 per month, together with notice to Mr. Brown that he be made aware that any renovations and/or upgrades to the apartment are to be made at the tenant's sole expense and those renovation costs will not be taken into consideration should rental rates increase. No public comments. **Unanimously approved.**

Both Mr. Barnett and Mr. M. Davis commented that there should be more of an extensive background check run on prospective tenants, including a criminal background check. Mr. Barnett suggested that a prospective tenant's name should be run, when possible, through the local Clerk of Court parish index systems in the surrounding Parishes, such as Orleans, Jefferson and St. Tammany. Ms. Ewing said she had received a call from and talked with Jim Brown who asked if the LSM had a convicted felon policy and she said no. Ms. Ewing said since she has been on the Board, it never has been a policy. Ms. Ewing said she feels it would open a moral can of worms. Dr. Powell said he would like to know how the Upper Pontalba management screens their prospective tenants.

## **5. Financials**

The financials as of February 28, 2015 were distributed in advance. Mr. Barnett called upon Mr. R. Davis to give a presentation on the status of the State budget cuts for 2015-16. The presentation documentation is attached to the minutes.

Mr. R. Davis pointed out that the LSM is keeping 11 state positions open in the state budget to meet the anticipated budget shortfall. However, DCRT can't use the savings in salaries and spend it on other categories without prior Joint Legislative Budget Committee approval. Mr. R. Davis also said that LSM is exceeding self-generated revenue budget estimates but must ask for an increase in spending authority to utilize these surplus funds. DCRT will likely go to the Joint Budget Committee for this request when the session is over. Mr. Barnett asked that Mr. R. Davis notify or alert members about any meeting in Baton Rouge to see who, if any, could attend to lend assistance.

Mr. R. Davis said the initial Irby budget presented should be similar to last year's request. If LSM gets the additional self-generated funds approved for use for the Museum, the LSM may not have to ask Irby for any additional assistance in the coming fiscal year.

Mr. M. Davis asked if we should consider leasing the Museum apartment. Mr. Tullos said it does get used often for a multitude of purposes supporting everything from museum guest and staff lodging to fundraising for support organizations.

## **6. Old Business**

- **503 St. Ann Street, 2<sup>nd</sup> floor**

The bathtub step in Mr. Fisher's apartment is currently being worked on to be in compliance. Ms. Washington said she received an e-mail from Mr. Fisher stating that the step was complete, but Maintenance Superintendent Wade Levy inspected the step this morning and it still is not complete. Another update will be given at the next meeting.

- **Commercial lease review and update**

Sub-Committee Chair Ms. Zink said the sub-committee met this morning. This is an ongoing project. Progress is being made on what issues will be addressed and they will have further information to report at the next meeting.

## **7. New Business**

- **Residential rent increases**

Mr. Kelly said he would like to see the rent study done. The last rent study and increases for residential tenants took place in 2010. The LSM staff will collect a list of rent study consultants and get costs for presentation at the next meeting. Committee members are free to submit a list of appraisers to Ms. Washington. Gayle Boudousquie did the last study. Mr. Kelly said he would work on the scope of work with Ms. Washington. An RFP will then be submitted. Mr. Barnett suggested that this would be a Professional Services Agreement, and hence, no need for an RFP or RFQ, but he would defer to Julia George Moore. Mr. Barnett also suggested that members be alerted as to when an RFP or notice would be issued insofar as there may be other appraisers who could submit a proposal, such as the appraiser who recently completed the City's Pontalba rental appraisal.

- **Permanent occupants at 535 St. Ann Street, 2nd floor**

Ms. Washington has been trying, for months, to obtain a short letter of permission from Mr. Boue to have his two sons listed as permanent occupants. They have not signed the lease as such and only their names were hand-written in the permanent occupant space. Ms. Washington has made repeated attempts to request a letter be submitted via e-mail asking for approval for them to be added as permanent occupants. His sons live there but they are not legally on the lease as permanent occupants. Since he has not responded, the Committee requested that Ms. Washington prepare a letter laying out the facts and attempts made to get a letter from Mr. Boue and then Ms. Moore can set a timeline for him to respond and if he does not respond by the set deadline, he will be in violation of his lease.

- **Update to plant policy**

LSM staff would like to add the following clause to the Lower Pontalba PPM for residential tenants:

“Tenant shall not use a hose to spray clean the balconies. Balconies should be cleaned by sweeping and mopping. Repairs to balcony floors, fascia, and ironwork caused by the use of hosing for cleaning will be the responsibility of the tenant.”

Ms. Washington said there are 2 or 3 tenants who hose and excessively water their plants and balcony, causing mold and the wood to rot. Mr. R. Davis said if people are misusing the irrigation systems, staff needs to address that with the tenants. Mr. Levy will have all balconies assessed by the next meeting.

Meeting adjourned 12:30 PM.